

# .external auditor policy & procedures

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.the way we work .the way we relate .the way we serve .the way we learn .the way we play .the way we grow  
.the way we inspire .the way we succeed .the way we lead .the way we work .the way we relate .the way we serve  
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.the way we learn .the way we play .the way we grow .the way of life



Vita Group Limited

ABN 62 113 178 519

### Selection Policy

The Audit, Compliance & Risk Committee of the Board has responsibility to:

1. Recommend to the Board the appointment of the external auditors, and their fee
2. Review the terms of engagement of the external auditors
3. Review the scope of the external audit plan and any additional services, and
4. Monitor the independence of the external auditors

In carrying out these responsibilities, the Audit, Compliance & Risk Committee continuously reviews the performance and independence of the external auditors.

Should the Committee determine a need for a change of external auditor, the Committee makes recommendations to the Board on the requirement for a new external auditor, and the selection criteria for the new auditor.

When the Board decides that a new external auditor is required, the Audit, Compliance & Risk Committee identifies audit firms who meet the criteria for appointment, requests tenders from them, and recommends one or more to the Board for appointment.

If there has been no tender conducted for the audit work for a period of 5 years, the Audit, Compliance & Risk Committee will request tenders from audit firms who meet the criteria for appointment, and recommend one or more to the Board for appointment.

### Selection & Appointment Procedures

When the Board decides that a new external auditor is required, the following procedure will be followed:

- 1.** The Audit, Compliance & Risk Committee will identify audit firms who meet the selection criteria approved by the Board, determine their willingness to act, and obtain proposals from them addressing the selection criteria.
- 2.** The Audit, Compliance & Risk Committee will obtain from the recommended firms a statement that they are independent in accordance with Division 3 of Part 2M.4 of the Corporations Act.
- 3.** The Audit, Compliance & Risk Committee/Chairman/Board/CEOs/CFO will meet with/interview the candidates.
- 4.** The Audit, Compliance & Risk Committee will recommend to the Board a firm or firms for appointment as external auditor.
- 5.** The Board will meet to determine the preferred candidate.
- 6.** The Company Secretary will arrange the necessary notices, meetings, and resolutions for the resignation/removal of the existing auditor and the appointment of the new auditor, in accordance with the Corporations Law.

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### Rotation of Audit Partners

Division 5 of Part 2M.4 of the Corporations Act, requires that the lead auditor and review auditor responsible for the external audit of Vita Group, be rotated off every 5 financial years, and not be involved again in the external audit for at least another 2 financial years.

The Audit, Compliance & Risk Committee will monitor the rotation off of audit partners, and the appointment and independence of replacement partners, to ensure that the external auditors comply with the Corporations Law, and will report to the Board.

### Non-Audit work performed by Auditors

The auditors are not precluded from doing non-audit work as there are efficiencies in having the one group do both the audit and tax work. The auditors will continue to perform both the audit and tax work for Vita Group, but any other substantial non-audit work will be approved by the Audit, Compliance and Risk Committee prior to commitment.

The level of non-audit work will be monitored by the Audit, Compliance and Risk Committee on a 6 monthly basis, with a detailed analysis of fees, and review of the relationship with the auditors, each 12 months. Appropriate disclosure will be included in the Annual Report.